

Regular Session, 2009

SENATE BILL NO. 267

BY SENATORS MICHOT, APPEL, CROWE, DUPLESSIS, LONG, SMITH AND  
WALSWORTH AND REPRESENTATIVES HENRY BURNS, TIM  
BURNS, CHAMPAGNE, CONNICK, CORTEZ, DOVE, FOIL,  
LITTLE, MILLS, PERRY, PUGH, ROBIDEAUX, SIMON, SMILEY,  
JANE SMITH AND WILLMOTT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING. Provides relative to special funds in the state treasury. (7/1/09)

AN ACT

To enact R.S. 49:308.5, relative to special funds in the state treasury and dedicated money;  
to provide for an annual performance report of the activities funded by such special  
funds; to abolish and repeal certain funds and certain statutory dedications; to  
provide for exceptions; to provide for an effective date; and to provide for related  
matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 49:308.5 is hereby enacted to read as follows:

**§308.5 Special funds and dedication of money**

**A. The legislature hereby finds that due to the number of special funds  
in the state treasury it is difficult for the governor, the legislature, and the  
public to assess the return on investment of the activities supported by such  
funds. In order to address this situation, the legislature finds that a system of  
transparency and accountability needs to be established and that the authority  
for such funds should routinely sunset unless the return on investment of the  
activities funded by monies deposited in such fund warrants the continuation  
of this method of funding. Further inducing competition for funding from the**

1 state general fund will put all activities on an equal footing and will allow the  
2 governor and the legislature to better prioritize funding.

3 B.(1) The division of administration shall establish a procedure to assure  
4 that the activities supported by a special fund are subject to the same level of  
5 transparency and accountability as activities supported by the state general  
6 fund. The procedure shall include the annual submission of reports no later  
7 than December first of each year for all entities and activities supported by  
8 appropriations from the fund.

9 (2) The reports shall be submitted to the president of the Senate, the  
10 speaker of the House of Representatives and the division of administration. The  
11 reports to the division of administration shall be submitted electronically in a  
12 form and format as specified and established by the commissioner of  
13 administration. The division of administration shall publish the reports on an  
14 electronic database so as to ensure transparency and accountability.

15 C. Beginning July 1, 2010 and every four years thereafter,  
16 notwithstanding any other law to the contrary and except as provided by the  
17 Constitution of Louisiana and Subsection (D) of this Section, all special funds  
18 in the state treasury are abolished and any and all laws of the state which  
19 dedicate or otherwise provide for the use of money required by the Constitution  
20 of Louisiana to be deposited in the state treasury are repealed and superseded.  
21 The treasurer is therefore authorized and directed to transfer the balances of  
22 the abolished funds and deposit them into the general fund. The treasurer,  
23 upon receipt of such money, and after compliance with the requirements of  
24 Article VII, Section 9(B) of the constitution relative to the Bond Security and  
25 Redemption Fund, shall deposit the money in and credit it to the general fund.  
26 All interest earned on investment of the money shall be deposited in and  
27 credited to the general fund.

28 D. This Section shall not apply to or affect the laws which dedicate or  
29 otherwise provide for the use of the following money or the laws which provide

1        **for the following special funds in the state treasury:**

2                **(1) Special funds or dedications of money received by the state or by any**  
3        **state board, agency, or commission which is protected by the Constitution of**  
4        **Louisiana and laws effectuating such special funds and dedications or special**  
5        **funds containing money which is not required by the constitution to be**  
6        **deposited in the state treasury pursuant to Article VII, Section 9(A) of the**  
7        **Constitution of Louisiana.**

8                **(2) Special funds in the state treasury established solely as a requirement**  
9        **of the terms, conditions, or requirements of:**

10               **(a) Grants, donations, or other forms of assistance.**

11               **(b) Court or regulatory agency orders or judgments.**

12               **(c) Contracts of the state or of its agencies, boards, or commissions,**  
13        **including contracts related to the issuance of bonds, notes, and other**  
14        **indebtedness.**

15               **(3) Special funds and dedications of money provided by law for money**  
16        **received by or on behalf of a state board, agency, authority, or commission**  
17        **which is mainly composed of and represents members of a trade, business, or**  
18        **professional association from fees or assessments paid by the members of the**  
19        **trade, business, or professional association and which expends the money on**  
20        **market or product research and development.**

21               **(4) Special funds and dedications of money provided by law related to**  
22        **the judiciary.**

23               **(5) Special funds and dedications of money provided by law related to**  
24        **retirement funds.**

25        Section 2. This Act shall become effective on July 1, 2009.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

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### DIGEST

Proposed law requires the division of administration to establish a procedure to assure that the activities supported by the special funds in the state treasury are subject to the same level of transparency and accountability as activities supported by the state general fund.

Proposed law provides for legislative intent.

Proposed law provides that the procedure shall include the annual submission of a report no later than December 1 of each year for all entities and activities supported by appropriations from each fund.

Proposed law provides that the reports shall be submitted to the president of the Senate, speaker of the House of Representatives and the division of administration. Proposed law provides that the reports to the division of administration shall be submitted electronically in a form and format as specified and established by the commissioner of administration. Proposed law provides that the division of administration shall publish the reports on an electronic database.

Proposed law provides that beginning 7/1/10 and every four years thereafter, and except as provided by the Constitution of Louisiana and except as exempted in proposed law, all special funds in the state treasury are abolished and any and all laws of the state which dedicate or otherwise provide for the use of money required by the Louisiana Constitution to be deposited in the state treasury are repealed and superseded.

Proposed law directs the treasurer to transfer the balances of the abolished funds and deposit them into the general fund. All interest earned on investment of the money shall be deposited in and credited to the general fund.

Proposed law shall not apply to or affect the laws which dedicate or otherwise provide for the use of the following money or the laws which provide for the following special funds in the state treasury:

- (1) Special funds or dedications of money received by the state or by any state board, agency, or commission which is protected by the Constitution of Louisiana and laws effectuating such special funds and dedications or special funds containing money which is not required by the constitution to be deposited in the state treasury.
- (2) Special funds in the state treasury established solely as a requirement of the terms, conditions, or requirements of:
  - (a) Grants, donations, or other forms of assistance.
  - (b) Court or regulatory agency orders or judgments.
  - (c) Contracts of the state or of its agencies, boards, or commissions, including contracts related to the issuance of bonds, notes, and other indebtedness.
- (3) Special funds and dedications of money provided by law for money received by or on behalf of a state board, agency, authority, or commission which is mainly composed of and represents members of a trade, business, or professional association from fees or assessments paid by the members of the trade, business, or professional association and which expends the money on market or product research and

development.

- (4) Special funds and dedications of money provided by law related to the judiciary.
- (5) Special funds and dedications of money provided by law related to retirement funds.

Effective July 1, 2009.

(Adds R.S. 49:308.5)